

Maine Revised Statutes
Title 20-A: EDUCATION
Chapter 417-F: HIGHER EDUCATION LOAN PURCHASE
PROGRAM HEADER: PL 2003, c. 455, §2 (new)

§11495. BONDS

1. Issuance; purpose; payment; authorization; interim receipts or certificates. The authority may issue bonds for the purposes of this chapter, including financing eligible loans, which may include originating eligible loans, including consolidation loans, financing loans to eligible lenders to fund the origination of eligible loans and acquiring existing portfolios of eligible loans from eligible lenders. The bonds of each issue must be authorized by the authority and be payable only from such sources specified in the agreement with bondholders, which may include, without limitation, payments on or with respect to eligible loans from any source, including sale proceeds; reserves established by the authority for the bonds; payments pursuant to agreements with financial institutions, credit unions, educational institutions or any governmental entity; payments pursuant to interest rate exchange agreements; investment earnings from funds or accounts maintained pursuant to a trust agreement or other document; proceeds of refunding bonds; and other fees, charges or revenues of the authority.

Bonds issued by the authority for the purposes of this chapter, the resolution authorizing the issuance of such bonds or any trust agreement securing such bonds may include such provisions, which may be part of the contract with the holders of the bonds of such issue and with any 3rd-party credit or liquidity provider or counterparties to interest rate exchange agreements, as the authority considers necessary or convenient to the security or issuance of the bonds, including without limitation:

- A. Specifying the terms of bonds, including the basis upon which interest accrues on those bonds, which may be fixed, variable, auction-based or adjustable; the date from which interest begins to accrue; the time and manner of principal payment upon scheduled maturity or redemption; the denominations and form, which may include coupon, registered, coupon and registered or book entry; and such privileges as to conversion and for the replacement of mutilated, lost or destroyed bonds as the authority may establish; [2003 , c . 455 , §2 (NEW) .]
- B. Providing that bonds be payable in lawful money of the United States at a designated place or be payable in another form of currency if the authority so designates and be considered to be negotiable instruments issued under the laws of the State within the meaning and for all purposes of Title 11, Article 3-A, whether or not of the form or character to so qualify under the terms of Title 11, Article 3-A, subject only to the applicable provisions of any trust agreement; [2003 , c . 455 , §2 (NEW) .]
- C. Providing that bonds be executed by the manual or facsimile signatures of the officers or designees of the authority; [2003 , c . 455 , §2 (NEW) .]
- D. Providing that bonds be sold in the manner and upon the terms determined by the authority at public or private sale, with or without public bidding; [2003 , c . 455 , §2 (NEW) .]
- E. Pledging or assigning revenues, contractual rights and other assets to secure the bonds; [2003 , c . 455 , §2 (NEW) .]
- F. Establishing loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts and sinking funds and other accounts and their regulation, investment and disposition; [2003 , c . 455 , §2 (NEW) .]
- G. Providing for the issuance of additional bonds and refunding bonds; [2003 , c . 455 , §2 (NEW) .]

H. Defining the acts or omissions that constitute a default in the duties of the authority or its obligations to bondholders and providing the rights or remedies of such bondholders in the event of a default; [2003, c. 455, §2 (NEW) .]

I. Providing for guarantees, letters of credit, lines of credit, insurance policies, surety bonds, purchase agreements or similar instruments or other security for the benefit of the bondholders; [2003, c. 455, §2 (NEW) .]

J. Providing for interest rate or exchange agreements; and [2003, c. 455, §2 (NEW) .]

K. Any other matter relating to the bonds that the authority determines appropriate. [2003, c. 455, §2 (NEW) .]

[2007, c. 520, §6 (AMD) .]

2. Credit not pledged. Bonds issued under this chapter do not constitute or create any debt or liability on behalf of the State, of any political subdivision of the State or the authority, a loan of the credit of the State or a pledge of the faith and credit of the State, of any political subdivision of the State or the authority, but are payable solely from the funds provided for the payment of those bonds. All the bonds issued under this chapter must contain a statement to the effect that the State, any political subdivision of the State or the authority is not obligated to pay the bonds or the interest on the bonds, except from funds provided for the payment of those bonds pursuant to one or more agreements, and that neither the faith and credit nor the taxing power of the State or of any political subdivision of the State is pledged to the payment of the principal of, premium, if any, or the interest on such bonds. The issuance of bonds under this chapter does not directly or indirectly or contingently obligate the State or any political subdivision of the State to levy or to pledge any form of taxation whatever or to make any appropriation for the bonds' payment.

[2003, c. 455, §2 (NEW) .]

3. Liability of members. A member or employee of the authority or any person executing the bonds may not be held liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

[2003, c. 455, §2 (NEW) .]

4. Interest rate exchange agreements. In connection with, or incidental to, the issuance or carrying of bonds issued under this chapter or carrying of any investment, the authority may enter into agreements with financial institutions or credit unions that the authority determines to be necessary or appropriate to place the obligation or investment of the authority, in whole or in part, on the interest rate, cash flow or other basis as determined by the authority.

[2003, c. 455, §2 (NEW) .]

5. Purchasing, refunding or refinancing by authority. The authority may purchase its bonds out of any available funds and may hold, pledge, cancel or resell the bonds subject to and in accordance with agreements with bondholders. The authority may refund or refinance any of its bonds.

[2003, c. 455, §2 (NEW) .]

6. Conclusive authorization. All bonds of the authority are conclusively presumed to be fully authorized and issued under the laws of the State, and any person or governmental unit is estopped from questioning their authorization, sale, issuance, execution or delivery by the authority.

[2003, c. 455, §2 (NEW) .]

SECTION HISTORY

2003, c. 455, §2 (NEW). 2007, c. 520, §6 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.
--